



Texas Department of Insurance
Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

| | |
|--|--------------------------------|
| Requestor Name and Address: HARRIS METHODIST HEB 3255 W PIONEER PKWY ARLINGTON TX 76013 | MFDR Tracking #: M4-09-5557-01 |
| | DWC Claim #: |
| | Injured Employee: |
| Respondent Name and Box #: NEW HAMPSHIRE INSURANCE CO Box #: 19 | Date of Injury: |
| | Employer Name: |
| | Insurance Carrier #: |

PART II: REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Since TDI moved to a 200% of MAR for outpatient services on 3/1/08 for hospital claims, we have reviewed the Medicare allowance and decided the insurance reimbursement does not meet this criteria. Medicare would have allowed this facility \$9031.80 for CPT 29826, 29824, 29822 and 64450 at 200%. Based on their payment, a supplemental payment of \$6,796.07 is due."

Amount in Dispute: \$6,796.07

PART III: RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The billing in dispute has been paid at a fair and reasonable rate in accordance with DWC guidelines, policies and rules, and the Texas Labor Code. Carrier has determined that \$2,209.55 represents an amount greater than or equal to the fair and reasonable reimbursement for this service. The provider must therefore prove that the reimbursement received is not fair and reasonable. Carrier has calculated reimbursement based on a fair and reasonable standard."

PART IV: SUMMARY OF FINDINGS

| Date(s) of Service | Disputed Services | Calculations | Amount in Dispute | Amount Due |
|--------------------|-------------------|---|-------------------|-------------------|
| 03/17/08 | CPT Code 29826 | \$2,855.37 x 200% = \$5,710.74 - \$1,176.00 (carrier payment) | \$4,910.06 | \$4,534.74 |
| 03/17/08 | CPT Code 29824 | \$898.97 x 200% = \$1,797.94 - \$588.00 (carrier payment) | \$1,287.54 | \$1,209.94 |
| 03/17/08 | CPT Code 29822 | N/A – CCI Edits | \$532.25 | \$0.00 |
| 03/17/08 | CPT Code 64450 | N/A – CCI Edits | \$66.22 | \$0.00 |
| | | | Total Due: | \$5,744.68 |

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division rule at 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, effective for medical services provided in an outpatient acute care hospital on or after March 1, 2008, set out the reimbursement guidelines for hospital outpatient services.

This request for medical fee dispute resolution was received by the Division on January 26, 2009.

According to the explanation of benefits, the services in dispute were paid using a contracted fee arrangement. Tex. Lab. Code Ann. §413.011(d-3) states that the division may request copies of each contract under which fees are being paid, and goes on to state that the insurance carrier may be required to pay fees in accordance with the division's fee guidelines if the contract is not provided in a timely manner to the division. On November 2, 2010 the division requested a copy of the

contract between the network and the health care provider. The carrier's agent responded on November 17, 2010 and stated "This dispute does not appear to involve any issues of informal networks or PPO contracts." For that reason, the disputed health care will be reviewed in accordance with §134.403.

1. For the services involved in this dispute, the respondent reduced or denied payment with reason code:
 - 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.
 - W1 – Workers Compensation State Fee Schedule adjustment.
 - 59 – Processed based on multiple or concurrent procedure rules.
 - 131 – Claim specific negotiated discount.
 - 113-031 – Export/Import re-pricing explanation 1: W10 - No maximum allowable defined by fee guideline. Reimbursement made based on insurance fair and reasonable reimbursement methodology.
 - 113-035 – Export/Import re-pricing information 5: The charges have been reviewed by FairPay Solutions Inc.
 - 113 – Any other reduction was determined by the external vendor.
 - 120-101 – The allowance for this code has been included in the total allowance for the bill.
 - 595-001 – The reimbursement amount is based on the Medicare reimbursement plus the percentage increase specified by the state.
 - 607 – Reimbursement for this procedure has been calculated according to the multiple procedure rule.
2. Division rule at 28 TAC §134.403(e) states, in pertinent part, that "Regardless of billed amount, reimbursement shall be:
 - (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
 - (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables;"
3. Pursuant to Division rule at 28 TAC §134.403(f), "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.
 - (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
 - (A) 200 percent; unless
 - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent."
4. Under the Medicare Outpatient Prospective Payment System (OPPS), all services are classified into groups called Ambulatory Payment Classifications (APCs). Services in each APC are clinically similar and require similar resources. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC per encounter. Within each APC, payment for ancillary and supportive items and services is packaged into payment for the primary independent service. Packaged services are considered integral to the primary paid service and are not separately reimbursed. An OPPS payment status indicator is assigned to each HCPCS code. The status indicator for each HCPCS code is shown in OPPS Addendum B, and a full list of status indicators and their definitions is published in Addendum D1 of the OPPS proposed and final rules each year, both of which are publicly available from the Centers for Medicare and Medicaid services.
5. CPT Codes 29826 and 29824 are considered by Medicare to be a Status T codes. Status T codes are defined as outpatient significant procedures subject to multiple procedure discounting. The highest paying Status T APC is paid at 100%; all others are paid at 50%. Additional reimbursement for both codes is recommended.
6. CPT Code 29822 is also a Status T code. However, according to Medicare CCI edits it is excluded by both CPT Codes 29826 and 29824. A modifier is allowed; however this code was not billed with a modifier. Therefore, additional reimbursement is not recommended.
7. CPT Code 64450 is also a Status T code. However, according to Medicare CCI edits it is excluded by both CPT Codes 29826 and 29824. A modifier is allowed; however this code was not billed with a modifier. Therefore, additional reimbursement is not recommended.
8. Upon review of the documentation submitted by the Requestor and Respondent, the Division finds that:
 - (1) No documentation was found to support a contractual agreement between the parties to this dispute;

- (2) MAR can be established for these services; and
- (3) Separate reimbursement for implantables was NOT requested by the requestor.

Based upon the documentation submitted by the parties and in accordance with Texas Labor Code §413.031(c), the Division concludes that the requestor is due additional payment. As a result, the amount ordered is \$5,744.68.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code §413.011(a-d), §413.031 and §413.0311
28 Texas Administrative Code §133.305, §133.307, §134.403
Texas Government Code, Chapter 2001, Subchapter G

PART VII: DIVISION DECISION

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is / is not entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$5,744.68 plus accrued interest per Division rule at 28 TAC §134.130 and §413.019 (if applicable), due within 30 days of receipt of this order.

DECISION/ORDER:

| | | |
|----------------------|--|----------------|
| _____ | _____ | March 14, 2011 |
| Authorized Signature | Medical Fee Dispute Resolution Officer | Date |

PART VIII: YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division rule at 28 TAC §148.3(c).

Under Texas Labor Code §413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code §413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.